



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 19, 2017

### **H.R. 2842** **Accelerating Individuals into the Workforce Act**

*As ordered reported by the House Committee on Ways and Means on June 15, 2017*

H.R. 2842 would amend title IV of the Social Security Act to enable the Department of Health and Human Services (HHS) to provide grants to states to conduct demonstration projects that would support subsidized employment for individuals who receive aid under the Temporary Assistance for Needy Families (TANF) program. Specifically, states could use grants to subsidize up to 50 percent of the wages provided to a TANF recipient for up to 12 months. HHS would be required to conduct evaluations of those demonstration projects. The bill also would require HHS to fund programs that offer career pathways to individuals receiving assistance under TANF. H.R. 2842 would reserve \$100 million of the \$608 million already appropriated for the TANF contingency fund for 2018 to fund the demonstration projects and their evaluations. States would have up to two years to spend any grant money provided by HHS.

Based on information from HHS, CBO estimates that direct spending from the contingency fund under the bill would mostly follow similar patterns as spending from the fund under current law. Thus, any net effect on direct spending would be insignificant. Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting H.R. 2842 would not affect revenues.

CBO estimates that enacting H.R. 2842 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2842 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act. The bill would authorize a demonstration grant program that would allow states to provide low-income individuals with wage subsidies to help them find jobs and retain employment. Any costs to states that result from implementing the demonstration project authorized by the bill would be incurred voluntarily as a condition of federal assistance.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.